

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Handloom Industry--Extension of Government guarantee for Rs.50.00 crores for a further period of 3 years with effect from 01-04-2009 to 31.03.2012 in favour of Andhra Pradesh State Cooperative Bank Limited (APCOB) towards operating the Cash Credit limits by the Andhra Pradesh State Handlooms Weavers' Cooperative Society Limited (APCO) - Orders - Issued.

INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Ms.No. 213.

Dated:17-09-2009.

Read the following:

1. G.O.Ms.No.183, Industries and Commerce (Tex) Department, dated: 11--07-2007.
2. G.O.Ms.No.269, Industries and Commerce (Tex) Department, dated 9-10-2007.
3. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad, Lr.RC.No.1767/2009-C, dt.07-03.2009.

ORDER:

In the reference 1st read above, orders have been issued renewing the Government Guarantee for a sum of Rs.50.00 crores in favour of Andhra Pradesh State Cooperative Bank Limited (APCOB) towards operation of cash credit limits by the Andhra Pradesh State Handloom Weavers Cooperative Society Limited (APCO) for a further period of three years with effect from 01-04-2006 to 31-03-2009, subject to condition that APCO will pay Guarantee Commission of 2% fixed for entire Guarantee period. The Government Guarantee will be applicable only to those cases of cash credit sanctions and renewals as per the guidelines of NABARD.

2. In the reference 2nd read above, orders have been issued reducing the Guarantee Commission payable by APCO to ½% per annum instead of 2% fixed for the guarantee period of (3) years and to credit Rs.75.00 lakhs to Government Account before execution of the deeds.

3. In the reference 3rd read above, while referring the orders issued in the G.Os 1st & 2nd read above, the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has stated that APCO had paid the Guarantee Commission of Rs.75.00 lakhs to the Government vide Lr.No. APCO/CASH CREDIT/Govt./Guarantee/07/4238, dated 21.11.2007. Further, the Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), has reported that an amount of Rs.45.00 crores for cloth and Rs.3.50 crores for trading in yarn was utilized by APCO as cash credit and the Andhra Pradesh State Cooperative Bank Limited (APCOB) has advised the APCO to secure Government Guarantee before the expiry of the current guarantee by 31-3-2009.

4. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has also stated that the Managing Director, APCO informed that there will be increase in turnover in the coming years and it is proposed to apply for cash credit limit of Rs.65.00 crores i.e., Rs.50.00 crores for Cloth business and Rs.15.00 Crores for Yarn Trading during the ensuing financial year 2009-10 and requested to recommend the Government Guarantee for Rs.65.00 crores. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has requested the Government to extend the Government Guarantee for a further period of (3) years, with effect from 1.4.2009 to 31.3.2012 for Rs.65.00 Crores to the APCOB towards operation of cash credit extended to APCO and the APCO will pay ½ % Commission as was done earlier.

(PTO)

5. After careful examination, Government have decided to extend the Government Guarantee for Rs.50.00 Crores for a further period of **3** years with effect from **01-04-2009 to 31.03.2012** in favour of Andhra Pradesh State Cooperative Bank Limited (APCOB) towards operating the Cash Credit limits by the Andhra Pradesh State Handlooms Weavers' Cooperative Society Limited (APCO) and APCO shall pay **1½%** Guarantee Commission in one lumpsum to the Government, instead of **½% every year.**

6. Accordingly, Government hereby extend the Government Guarantee for Rs.50.00 Crores (Rupees Fifty crores) for a further period of 3 years with effect from **01-04-2009 to 31.03.2012** in favour of Andhra Pradesh State Cooperative Bank Limited (APCOB) towards operating the Cash Credit limits by the Andhra Pradesh State Handlooms Weavers' Cooperative Society Limited (APCO) and APCO shall pay **1½%** Guarantee Commission in one lumpsum to the Government.

7. The Guarantee Commission shall be credited to M.H.-0075 – Miscellaneous General services – 108 – Guarantee Fee - (01) – Commission for Guarantee given by State Government.

8. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad is requested to furnish draft guarantee deed in consultation with Andhra Pradesh State Co-operative Bank Limited (APCOB) in so far as extended period of three (3) years with effect from 01-04-2009 to 31.03.2012.

9. This order issues with the concurrence of Finance (Exp.I&C) Department, vide their U.O.No.19794/366/Exp.I&C/2009, dated 05-08-2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA RPADESH)

Y.SRILAKSHMI,
SECRETARY TO GOVERNMENT.

To

The Director of Handlooms and Textiles and Development
Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad
The Managing Director,
Andhra Pradesh Handloom Weavers Co-operative Society Ltd., (APCO),
Hyderabad.
The Managing Director,
Andhra Pradesh State Co-operative Bank Limited (APCOB), Hyderabad.
The Managing Director,
NABARD, Hyderabad.
The Accountant General, Andhra Pradesh, Hyderabad.

Copy to:

The P.S to Additional Secretary to Chief Minister
The P.S. to Hon'ble Minister for Finance.
The P.,S. to Hon'ble Minister for Handlooms and Textiles.
The P.S. to Chief Secretary to Government.
The Finance (Exp.I&C) Department.
The General Administration (Cabinet) Department
with reference to Council Resolution No.142/2009.
The P.S. to Secretary to Government,
Industries and Commerce Department.
Sf/Sc.

// FORWARDED BY: ORDER//

SECTION OFFICER.